

Baron Asset Fund

Retail Shares (BARAX) and Institutional Shares (BARIX)

BAMCO, Inc., Registered Investment Adviser



Investment Principles

- Long-term perspective allows us to think like an owner of a business
- Independent and exhaustive research is essential to understanding the long-term fundamental growth prospects of a business
- We seek appropriately capitalized open-ended growth opportunities, exceptional leadership, and sustainable competitive advantages
- Purchase price and risk management are integral to our investment process

Investment Strategy

The Fund invests mainly in mid-sized U.S. companies that have matured beyond their start-up phase and have significant secular growth opportunities. Diversified.

Portfolio Manager

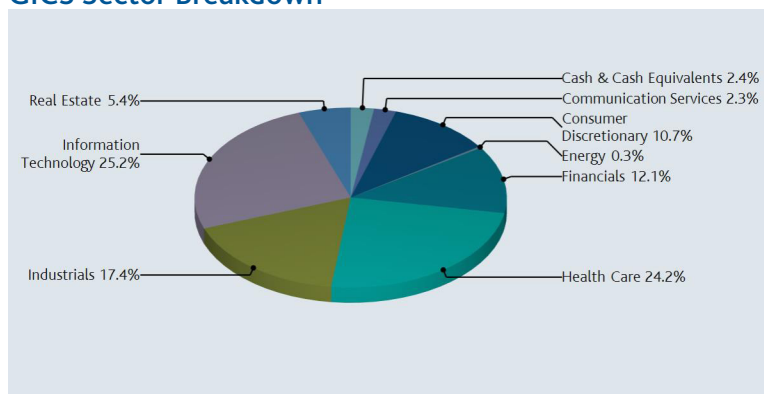
Andrew Peck joined Baron in 1998 as a research analyst and was named portfolio manager in 2003. He has 22 years of research experience. From 1992 to 1994, Andrew worked at Salomon Brothers as an analyst in the Equity Capital Markets group. Andrew graduated magna cum laude from Yale College with a B.A. in History in 1991 and from Stanford Law School and Graduate School of Business with a J.D. and M.B.A. in 1998.

Portfolio Facts and Characteristics

Inception Date	June 12, 1987
Net Assets	\$3.65 billion
# of Equity Securities / % of Net Assets	58 / 97.6%
Turnover (3 Year Average)	10.92%
Active Share	85.2%
Median Market Cap†	\$13.62 billion
Weighted Average Market Cap†	\$18.98 billion
Retail Shares	
CUSIP	068278100
Expense Ratio ³	1.31%
Institutional Shares	
CUSIP	068278605
Expense Ratio ³	1.04%

†Source: FactSet PA and BAMCO.
R6 Shares are also available for this Fund.

GICS Sector Breakdown¹



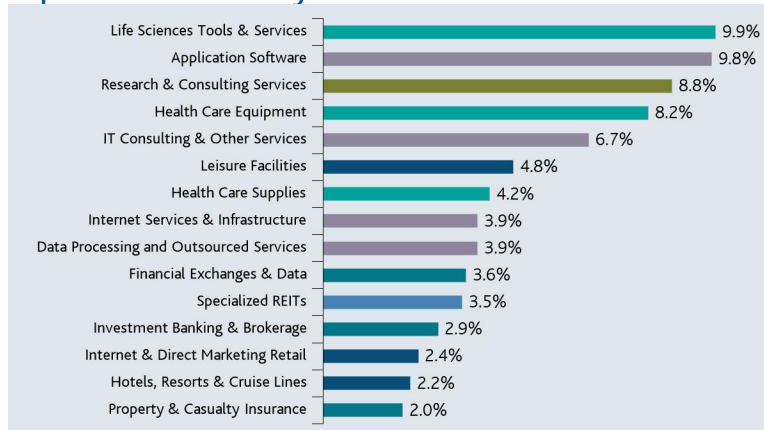
Performance Based Characteristics - Retail Shares²

	3 Years	5 Years	10 Years
Std. Dev. (%) - Annualized	10.72	11.25	16.83
Sharpe Ratio	1.68	1.21	0.70
Alpha (%) - Annualized	2.37	1.18	-0.76
Beta	0.97	0.99	0.97
R-Squared (%)	86.41	88.99	93.82
Tracking Error (%)	3.96	3.73	4.21
Information Ratio	0.53	0.30	-0.31
Upside Capture (%)	102.61	103.97	97.33
Downside Capture (%)	81.21	98.16	102.48

Top 10 Holdings

Company	% of Net Assets
IDEXX Laboratories, Inc.	6.7
Gartner, Inc.	6.7
Vail Resorts, Inc.	4.8
Verisk Analytics, Inc.	4.1
Mettler-Toledo International, Inc.	3.9
Guidewire Software, Inc.	3.5
Illumina, Inc.	3.0
The Charles Schwab Corp.	2.9
Verisign, Inc.	2.8
ANSYS, Inc.	2.8
Total	41.2

Top GICS Sub-Industry Breakdown¹



Colors of Sub-Industry bars correspond to sector chart above.

Risks

Securities issued by medium sized companies may be thinly traded and may be more difficult to sell during market downturns. Even though the Fund is diversified, it may establish significant positions where the Adviser has the greatest conviction. This could increase volatility of the Fund's returns.

Value	Blend	Growth	
			Large
			Medium
			Small

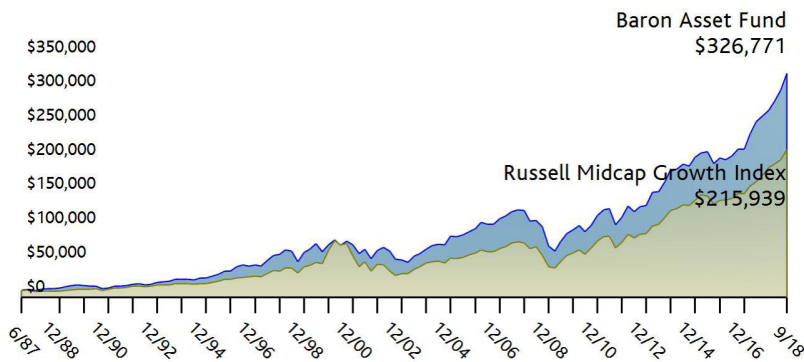
1 - Industry sector or sub-industry group levels are provided from the Global Industry Classification Standard ("GICS"), developed and exclusively owned by MSCI, Inc. ("MSCI") and Standard & Poor's Financial Services LLC ("S&P"). All GICS data is provided "as is" with no warranties. The Adviser may have reclassified/classified certain securities in or out of a sub-industry. Such reclassifications are not supported by S&P or MSCI.

2 - Source: FactSet SPAR. Except for Standard Deviation and Sharpe Ratio, the performance based characteristics above were calculated relative to the Fund's benchmark.

3 - As of FYE 9/30/2017

This information does not constitute an offer to sell or a solicitation of any offer to buy securities by anyone in any jurisdiction where it would be unlawful under the laws of that jurisdiction to make such offer or solicitation. This information is only for the intended recipient and may not be distributed to any third party. Not bank guaranteed, may lose value, not FDIC insured.

Comparison of Change in Value of \$10,000 Investment in Baron Asset Fund - Retail Shares vs. the Russell Midcap Growth Index as of September 30, 2018



Historical Performance (Calendar Year %)

Year	BARAX	Russell Midcap Growth Index	S&P 500 Index
2004	27.13	15.48	10.88
2005	12.47	12.10	4.91
2006	14.64	10.66	15.79
2007	10.13	11.43	5.49
2008	-40.75	-44.32	-37.00
2009	31.70	46.29	26.46
2010	21.29	26.38	15.06
2011	-2.94	-1.65	2.11
2012	15.31	15.81	16.00
2013	38.88	35.74	32.39
2014	9.48	11.90	13.69
2015	-0.08	-0.20	1.38
2016	6.23	7.33	11.96
2017	26.13	25.27	21.83

Performance as of September 30, 2018

	Total Return (%)				Annualized Returns (%)					Cumulative Returns (%)
	3rd Q 2018	2nd Q 2018	1st Q 2018	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception ⁴ 6/12/1987	Since Inception ⁴ 6/12/1987
BARAX-Retail Shares	8.05	5.69	4.61	19.47	23.11	18.76	14.14	12.17	11.78	3167.71
BARIX-Institutional Shares	8.13	5.76	4.68	19.71	23.43	19.08	14.45	12.45	11.87	3250.36
Russell Midcap Growth Index	7.57	3.16	2.17	13.38	21.10	16.65	13.00	13.46	10.33	2059.39
S&P 500 Index	7.71	3.43	-0.76	10.56	17.91	17.31	13.95	11.97	9.94	1843.73
Morningstar Mid-Cap Growth Category Average	6.48	4.16	2.15	13.42	20.31	15.81	11.68	11.97	N/A	N/A

Top Contributors/Detractors to Performance for the Quarter Ended September 30 2018⁵

BY SUB-INDUSTRIES¹

Top Contributors	Average Weight(%)	Contribution(%)
Life Sciences Tools & Services	9.54	1.64
Application Software	9.46	1.23
IT Consulting & Other Services	6.29	1.14
Health Care Equipment	8.28	1.01
Health Care Supplies	3.93	0.74

Top Detractors	Average Weight(%)	Contribution(%)
Interactive Media & Services	1.24	-0.32
Casinos & Gaming	0.36	-0.21
Investment Banking & Brokerage	3.07	-0.11
Real Estate Services	1.51	-0.11
Insurance Brokers	1.59	-0.10

BY HOLDINGS

Top Contributors	Average Weight(%)	Contribution(%)
Gartner, Inc.	6.29	1.14
IDEXX Laboratories, Inc.	6.86	1.01
illumina, Inc.	2.86	0.80
Bio-Techne Corporation	1.98	0.65
Verisk Analytics, Inc.	4.07	0.48

Top Detractors	Average Weight(%)	Contribution(%)
Zillow Group, Inc.	1.16	-0.34
The Stars Group Inc.	0.36	-0.21
MarketAxess Holdings Inc.	1.27	-0.12
The Charles Schwab Corp.	3.07	-0.11
CBRE Group, Inc.	1.51	-0.11

The performance data quoted represents past performance. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate; an investor's shares, when redeemed, may be worth more or less than their original cost. The Fund's transfer agency expenses may be reduced by expense offsets from an unaffiliated transfer agent, without which performance would have been lower. Current performance may be lower or higher than the performance data quoted. For performance information current to the most recent month end, visit www.BaronFunds.com or call 1-800-99BARON.

You should consider the investment objectives, risks, charges, and expenses of the Fund carefully before investing. The prospectus and summary prospectus contain this and other information about the Fund and can be obtained from the Fund's distributor, Baron Capital, Inc., by calling 1-800-99BARON or visiting www.BaronFunds.com. Please read them carefully before investing.

Footnotes continued from prior page.

4 - For this report, the Since Inception date for Russell Midcap Growth Index is 6/30/1987.

5 - Source: FactSet PA.

Performance for the Institutional Shares prior to 5/29/2009 is based on the performance of the Retail Shares, which have a distribution fee. The Institutional Shares do not have a distribution fee. If the annual returns for the Institutional Shares prior to 5/29/2009 did not reflect this fee, the returns would be higher.

The Fund may not achieve its objectives. Portfolio holdings may change over time.

Prior to February 15, 2007, the Fund's strategy was to invest primarily in small and mid-sized growth companies. Since then, the Fund's investment strategy has shifted to mid-sized companies.

Definitions (provided by BAMCO, Inc.): The indexes are unmanaged. The **Russell Midcap® Growth Index** measures the performance of medium-sized U.S. companies that are classified as growth, and the **S&P 500 Index** of 500 widely held large-cap U.S. companies. The indexes and the Fund are with dividends, which positively impact the performance results. Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell is a trademark of Russell Investment Group. Morningstar calculates the **Morningstar US Mid-Cap Growth Category Average** using its Fractional Weighting methodology. The Fund's Retail Shares have been included in the category since 4/1/99 and the Fund's Institutional Shares since 5/29/09. © 2018 Morningstar, Inc. All Rights Reserved. The Morningstar information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar

nor its content providers are responsible for any damages or losses arising from any use of this information. **Standard Deviation (Std. Dev.):** measures the degree to which a fund's performance has varied from its average performance over a particular time period. The greater the standard deviation, the greater a fund's volatility (risk). **Sharpe Ratio:** is a risk-adjusted performance statistic that measures reward per unit of risk. The higher the Sharpe ratio, the better a fund's risk adjusted performance. **Alpha:** measures the difference between a fund's actual returns and its expected performance, given its level of risk as measured by beta. **Beta:** measures a fund's sensitivity to market movements. The beta of the market is 1.00 by definition. **R-Squared:** measures how closely a fund's performance correlates to the performance of the benchmark index, and thus is a measurement of what portion of its performance can be explained by the performance of the index. Values for R-Squared range from 0 to 100, where 0 indicates no correlation and 100 indicates perfect correlation. **Tracking Error:** measures how closely a fund's return follows the benchmark index returns. It is calculated as the annualized standard deviation of the difference between the fund and the index returns. **Information Ratio:** measures the excess return of a fund divided by the amount of risk the fund takes relative to the benchmark index. The higher the information ratio, the higher the excess return expected of the fund, given the amount of risk involved. **Upside Capture:** explains how well a fund performs in time periods where the benchmark's returns are greater than zero. **Downside Capture:** explains how well a fund performs in time periods where the benchmark's returns are less than zero. **Active Share:** a term used to describe the share of a portfolio's holdings that differ from that portfolio's benchmark index. It is calculated by comparing the weight of each holding in the Fund to that holding's weight in the benchmark. Positions with either a positive or negative weighting versus the benchmark have Active Share. An Active Share of 100% implies zero overlap with the benchmark. Active Share was introduced in 2006 in a study by Yale academics, M. Cremers and A. Petajisto, as a measure of active portfolio management.